

**Alaska Board of Forestry
2010 Annual Report to the Governor**

**A Review of the
Alaska Forest Resources and Practices Act:
Its Implementation and Effectiveness**

May 19, 2011

The Alaska Board of Forestry

The Board of Forestry provides a forum for issues on Forest Practices and management of forests on state land. It is charged with monitoring the implementation and effectiveness of the Forest Resources and Practices Act and reporting its findings to the Legislature and Governor. Board members represent the following constituencies:

- ♦ Native Corporations, Ron Wolfe
- ♦ Professional Forester, Wayne Nicolls
- ♦ Recreation, Erin McLarnon
- ♦ Mining, Jeff Foley
- ♦ Fish & Wildlife Biologist, Matt Cronin
- ♦ Timber Industry, Eric Nichols
- ♦ Fishing Industry, Mark Vinsel
- ♦ Environmental Interests, Rob Bosworth
- ♦ DNR State Forester, Chris Maisch, Chair

**2010 Report from the Board of Forestry to the Governor on the Forest
Resources and Practices Act (FRPA)
May 19, 2011**

Background

The Alaska Forest Resources and Practices Act (FRPA, AS 41.17) governs how commercial timber harvesting, reforestation, and timber access occur on state, private, and municipal land. Forest management standards on federal land must also meet or exceed the standards for state land established by the Act.

The Act and its regulations reflect an exemplary process based on the best available scientific information, open to the public, and involving a wide range of interests at each step. Scientists, the timber and fishing industries, Native corporations, municipalities, state trust managers, environmental interests, the Board of Forestry, and experienced field staff from state agencies all contributed to developing and updating the Act and regulations.

FRPA balances economic concerns for the timber industry with water quality and habitat protection needs. It protects fish habitat and water quality, ensures prompt reforestation, and helps the timber and fishing industries provide long-term jobs. This framework provides certainty and credibility for landowners, operators, and the public. It also provides one-stop shopping for forest operation compliance with state and federal clean water and coastal management standards.

FRPA Effectiveness

The Board of Forestry is pleased to report that the Alaska Forest Resources and Practices Act (FRPA) continues to be effective in protecting water quality and fish habitat, while providing for continued timber and fishing industry opportunities. We are confident in this statement because of the extensive data available from six years of road condition surveys by DNR and ADF&G, eight years of compliance monitoring by DNR, and 19 years of effectiveness monitoring by the timber industry and resource agencies. In addition, we note that there are no impaired waters listed under Section 303(d) of the Clean Water Act due to forestry activities on private, state, or other public lands regulated by the FRPA.

Compliance monitoring ensures that the best management practices required by FRPA are applied consistently and correctly on the ground. Statewide, the monitoring results this year were the strongest ever, with regional scores averaging 4.8 out of a perfect score of 5.0 in Coastal Alaska (Region I), 4.9 in Southcentral (Region II), and 4.7 in Interior Alaska (Region III). Over the last six years, DNR and ADF&G supplemented the compliance monitoring program with field surveys of closed and inactive forest roads. Teams of habitat biologists and foresters surveyed every fish stream crossing on 1,891 miles of forest roads on non-federal land in Southeast Alaska. Notably, the surveys found only 20 culverts with significant issues for fish passage on those roads – approximately one culvert of concern per 94 miles of road. Follow-up surveys of upstream fish habitat are conducted on problem sites, sites are prioritized for repair,

and cooperative efforts are underway to correct the short list of problems identified. The surveys also checked reforestation, and found near-perfect results.

Effectiveness monitoring assesses whether FRPA successfully protects fish habitat and water resources. Alaska is fortunate to host one of the longest continuous effectiveness monitoring projects in the country. Since 1992, state and federal government agencies and private industry have joined together in an exemplary multi-party effort to cooperate in a study of the status and trends of fish habitat conditions in streams subject to forest harvesting under the FRPA best management practices. Cooperators include ADEC, ADNR and ADF&G, Alaska Forest Association and Sealaska that have joined together to not only fund this work but to provide important technical expertise to ensure state of the art science is employed. This study includes pre- and post-harvest data on 21 anadromous streams in 19 different watersheds in southeast Alaska. The study has not found any significant adverse impacts of harvesting on fish habitat in these watersheds. This work has resulted in numerous reports, scientific meetings, and award winning peer reviewed literature publications. No other such study exists and Alaska can be proud of this work.

Alaska's Forest Resources and Practices Act is designed to protect fish habitat and water quality, while maintaining opportunities for economically feasible timber harvesting. We have comprehensive data that demonstrate that the Act is working, and it is crucial to timber, fishing, and recreation interests to ensure that it continues to be fully implemented.

The annual forest practices reports from the state resource agencies are attached to provide additional information on FRPA activities and effectiveness.

Funding

The biggest challenge to FRPA effectiveness in FY12 is the decline in federal Clean Water Act Section 319 funding. From FY99 to FY11, DEC passed through Section 319 funds to DNR and ADF&G for core forest practices work including field inspections, review of Detailed Plans of Operation, and compliance monitoring. For DNR, this funding peaked at \$311,800 in FY02 – 42% of the budget for core forest practices work; additional funding went to ADF&G for their work, including field inspections and stream classification. In FY09-FY11, Section 319 funding declined to \$115,000/year for DNR and \$85,000 for ADF&G. In FY12, no Section 319 funding will be available for forest practices work. This is a 15% cut in forest practices funding for DNR and a 60% cut for ADF&G.

We want to thank the Governor and legislature for approving a forestry funding increment this session that will partially offset the loss of Section 319 funds for DNR and ADF&G. Without this increment, DNR would have had a significantly reduced field presence in a time of increasing private land FRPA activity. Even with the additional funding, ADF&G projects a 30% decrease in funding and staffing for FRPA implementation.

The effectiveness and credibility of FRPA depends on participation by all three resource agencies. We need ADF&G's participation in Detailed Plan of Operation (DPO) reviews, field inspections, and stream classification to protect fish habitat and sustain FRPA as an efficient

method for the timber industry to comply with state and federal Clean Water and Coastal Zone requirements. The State resource agencies' participation in FRPA fulfills the public-private, multi-stakeholder commitment of the FRPA. Private landowners contributed millions of dollars of timber, without any compensation to protect water quality and anadromous fish habitat. In return, the State resource agencies are obligated to actively participate in DPO reviews, field inspections, and enforcement actions to ensure that FRPA is working and assure the public that precious publicly owned resources are being protected.

Southeast forest management and timber supply

The Board of Forestry is charged with overseeing FRPA implementation and serving as a forum to resolve forest management issues on state land. However, Tongass National Forest management, land tenure issues, and the unfulfilled ANCSA land entitlement in Southeast Alaska have such a great impact on the entire timber industry and state land management that they continue to be a focus of Board activity. Timber sales and wood products employment have declined precipitously. Tongass-related wood products employment was 2,522 in 1990, 623 in 2000, and down to 87 in 2009. Over the same period, Tongass timber sales dropped from over 300 million board feet to 23 million board feet, with a rise to 45.9 million board feet in FY10.

There were some bright spots for the Alaska timber industry in 2010: hemlock prices rose, Chinese demand for U.S. timber increased sharply, markets for second-growth timber improved, second-growth harvesting on private land expanded the USFS held trial second-growth harvests on the Tongass, and Alaska nearly doubled the size of the Southeast State Forest. With these changes, the future for the Alaska timber industry could be bright if the timber supply is available. However, despite some increase in timber sales from the Tongass National Forest in 2010, southeast mill capacity remains underutilized and great uncertainty remains regarding the level of future sales. The recent district court ruling on applying the Roadless Rule in Alaska, if upheld, would undoubtedly further restrict supply.

The State of Alaska must continue to push for expanded timber supply. Opportunities to increase supply include the following.

- **Resolve Southeast land tenure.** Stable and clear land tenure is essential for a sustainable timber industry. We deeply appreciate the initiative by the Governor, Legislature, and state agencies to help provide a long-term state timber base in Southeast Alaska by establishing the Southeast State Forest in 2010, and expanding it in 2011. We look forward to working with you to expand the state forest system in other areas of the state as well. We ask the State to take the following actions to address other land tenure problems in Southeast.
 - Support a land exchange between the Alaska Mental Health Trust and the U.S. Forest Service to exchange Trust land near communities with watershed, viewshed, and public safety issues for federal land suitable for sustainable forest management. (See also the Board's letter of support, attached.)
 - Support prompt, full, and fair completion of ANCSA land entitlement and claims.
- **Fully implement TLMP.** The recently revised Tongass Land Management Plan (TLMP) was a compromise plan that reflected efforts to balance competing interests. The State

helped develop and strongly supported the agreements in TLMP and should work closely with the USFS and interest groups to fully implement the plan. If upheld, the Roadless Rule will undoubtedly constrain full implementation of that plan. The state should strive to ensure that the Roadless Rule does not adversely affect TLMP implementation.

- **Continue state involvement in Tongass forest management.** Over the last year, the DNR Division of Forestry and ADF&G Habitat Division Tongass coordinators have been actively involved in each step of Tongass timber sale design and planning. This effort has been one of the most helpful means to improve the economic feasibility of Tongass timber offerings while meeting conservation objectives.

Wood energy and personal use

Expanding the use of wood energy in Alaska is one of the best opportunities to expand timber jobs statewide, lower rural energy costs, reduce dependence on imported fuel, lower wildland fire risks, and improve wildlife habitat. We are heartened by private and public efforts to increase the use of wood fuel, including Sealaska's choice to switch to wood pellet heat for their Juneau office, community and agency coordination to install the Tok School wood boiler, the Alaska Energy Authority support for wood energy through the Renewable Energy Fund and cooperative efforts by the Authority and the Division of Forestry to assess sustainable wood energy supplies. We encourage the State to lead by example, and consider wood fuel and wood building materials for state facilities. We also encourage the State to advocate for use of renewable wood energy fuels in federal buildings in Alaska. Refurbishing existing federal facilities for wood energy use and incorporating wood energy technology in new federal construction such as the proposed Auke Bay Forest Sciences Laboratory is sound federal energy policy.

The State also has an important role in helping provide a sustainable supply of wood for biomass energy, particularly in parts of Interior and Southcentral Alaska where the State is a major forest owner. Wood fuel provides energy cost relief for many rural residents. Supplying fuelwood for commercial operations and personal use is an important duty for the Division of Forestry. The lack of access to many forested areas impedes this mission, particularly for personal use harvesting. Roads to commercial timber sales are typically constructed, maintained, and paid for by the timber purchaser. Personal use harvests do not offset the capital and operating costs for logging roads, and the many individuals using access roads do not have the equipment or knowledge to maintain them.

We applaud the Governor and Legislature for introducing and approving operating and capital budgets that include financial support to maintain and expand forest access. We also encourage the Division of Forestry to reassess the cost structure for fuelwood to ensure that users are paying a fair price for state wood.

Public Safety

Over the last three years, we reviewed concerns raised by Mitkof Island homeowners regarding public safety hazards from proposed timber harvests on Mental Health Trust land upslope from

private homes. At our request, a Science & Technical Committee assessed and mapped the geographic scope of landslide potential in areas open to commercial harvesting near public roads or buildings. The Division of Forestry also identified sites within these areas where past harvesting had occurred, identified existing authorities for public safety, and mapped local government boundaries.

After reviewing this information, we decided against requesting a legislative change to add authority for public safety to the Forest Resources and Practices Act. We believe that other authorities, particularly municipalities, are better suited to address this issue which has a limited geographic scope, relates to many development sectors – not just forestry, and addresses property rights among private owners. Alternatively, we support a land exchange between the Mental Health Trust and the US Forest Service to resolve the issue on Mitkof Island and near other Southeast communities.

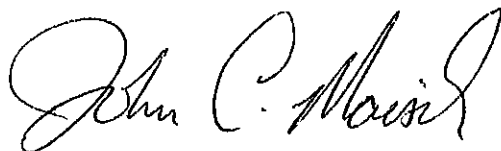
We did request Science and Technical Committee review of existing FRPA landslide standards designed to protect fish habitat and water quality. The Committee recommended several changes to further strengthen the standards. An Implementation Group with representatives of state resource agencies, forest landowners, operators, and affected interests will review the Committee proposals and recommend how to implement changes in a practical and effective manner.

Public safety touches forest policy in multiple places, such as road maintenance, fire suppression, and landslides. However, the FRPA statute specifically focuses on protecting public resources during public and private commercial forestry operations in an economically feasible manner. It is not the best vehicle for addressing safety issues that affect property rights between neighboring private landowners. Other state and federal laws are better suited to regulate public safety.

Summary

This is time of great opportunity and great challenge for the Southeast timber industry and for wood energy statewide. We thank you for your efforts to ensure that Alaskan businesses and communities can take advantage of new opportunities, and urge you to continue your leadership in efforts to maintain and grow a strong timber sector. We stand ready to work with you to foster a sustainable timber industry along with the sustainable fisheries, healthy air, and clean water essential to a vibrant Alaska.

Sincerely,

A handwritten signature in black ink, reading "Chris Maisch". The signature is fluid and cursive, with the first name "Chris" and last name "Maisch" clearly legible.

Chris Maisch, State Forester
Chair, Alaska Board of Forestry

Attachments

- Annual Report to the Board of Forestry: 2010 Forest Practices Effectiveness. February 22, 2011.
- 2010 Annual 2010 Annual Report to the Board of Forestry from DEC. March, 2011.
- 2010 Annual Report to the Board of Forestry, ADF&G Habitat Division. March, 2011.
- Letter from Board of Forestry to Greg Jones, Exec. Dir. Alaska Mental Health Trust Land Office. April 4, 2011.

Distribution

Governor Sean Parnell

State Senators

State Representatives

Senator Lisa Murkowski

Senator Mark Begich

Congressman Don Young

Dan Sullivan, Commissioner, Dept. of Natural Resources

Larry Hartig, Commissioner, Dept. of Environmental Conservation

Cora Campbell, Commissioner, Dept. of Fish & Game

Ed Fogels, Dep. Commissioner, Dept. of Natural Resources

Lynn Kent, Director, DEC Division of Water

Cindy Gilder, DEC Water Quality Standards Program Manager

Kevin Hanley, DEC Forest Practices

Kerry Howard, Director, ADF&G Habitat Division

Kyle Moselle, ADF&G Tongass Liaison

Jim Marcotte, Board of Fisheries

Beth Pendleton, U.S. Forest Service, Region 10

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